

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of )  
 )  
Hawaii State Teacher's Association - PAC )  
 )  
Respondent )  
\_\_\_\_\_ )

CA 06-01

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CONCILIATION AGREEMENT

On or around August 2004, Robert Y. Watada, former Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of the Hawaii State Teacher's Association – PAC ("Respondent"). The investigation was initiated pursuant to the express authority of section 11-193(a)(7), Hawaii Revised Statutes ("HRS"), for a determination of whether the Hawaii campaign spending laws had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Respondent and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondent and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondent pursuant to section 11-216(g), HRS.
- III. That Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

- IV. That Respondent waives the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondent by and through its officers having voluntarily and fully cooperated with this investigation desires to resolve any potential litigation by entering into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
  - 1. On or around August 2004, Robert Y. Watada, in his capacity as former Executive Director of the Campaign Spending Commission and upon information received, initiated an investigation involving unreported expenditures and contributions by Respondent in violation of particular campaign finance statutes.
  - 2. Section 11-191, HRS, reads in part as follows: "Expenditure" means:
    - (1) Any purchase or transfer of money or anything of value, or promise or agreement to purchase or transfer money or anything of value, or payment incurred or made, or the use or consumption of a nonmonetary contribution for the purpose of:
      - (A) Influencing the nomination for election, or election of any person seeking nomination for election, or election, to office whether or not the person has filed the person's nomination paper...

3. Section 11-212(b), HRS, reads as follows: Each noncandidate committee shall file a preliminary report with the commission, on forms provided by the commission, no later than 4:30 p.m. on the tenth calendar day prior to each primary election and the tenth calendar day prior to a special or general election. Each report shall be certified pursuant to section 11-195 and shall contain the following information, which shall be current through the fifth calendar day prior to the filing of a preliminary report: ...
  - (4) The amount and date of each expenditure made or incurred by the committee for or against any candidate, ballot issue, or on behalf of another committee, which has not previously been reported; and
4. Section 11-213(b), HRS, reads as follows: Each noncandidate committee shall file a final primary report with the commission, on forms provided by the commission, no later than 4:30 p.m. on the twentieth calendar day after a primary election. ...
  - (4) The amount and date of each expenditure made or incurred by the committee for or against any candidate, ballot issue, or on behalf of another committee, which has not previously been reported; and
5. The Commission finds that Respondent made expenditures and did not report those expenditures when a member of Respondent used the Hawaii Department of Education's (DOE) email-system to

send two e-mails to faculty representatives in the Leeward District advising them of political activities (canvassing and sign-holding). Those e-mails were subsequently forwarded through the DOE email-system to some teachers.

6. Respondent did not knowingly, intentionally, or recklessly violate sections 11-212(b) or 11-213(b), HRS.
7. Shortly after receiving notice regarding a possible violation from the Commission's staff, Respondent issued a notice to its membership stating that such use of the DOE's email-system is improper and should be curtailed immediately. The DOE also issued a directive immediately to all teachers prohibiting further use of the DOE's email-system for campaign purposes.

VII. Settlement Terms

1. As final settlement of the matter and issues in Conciliation Agreement #06-01, Respondent understands and agrees to an assessment of Five Hundred Dollars (\$500) pursuant to section 11-228, HRS.
2. Respondent does not intend to use the DOE's email-system for campaign purposes in the future.

VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action

in the Circuit Court of the First Circuit pursuant to section 11-228(c),  
HRS.

- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and HSTA on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter and any and all other matters covered by this Agreement.

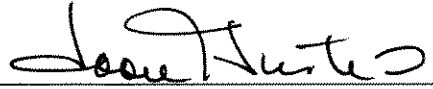
**FOR THE COMMISSION:**

Barbara Wong, Executive Director

 Date: 3-13-06

**FOR THE RESPONDENT:**

Hawaii State Teacher's Association

By:  Date: March 6, 2006  
Joan Husted  
Its Executive Director